

## Chicago



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## PRAISE GIBBONS

County Treasurer Handles New Public Deposits Law So Successfully That Citizens' Ass'n Gives Him Credit

Gibbons Turns Over to the People All of the Interest on Thirty-Eight Millions of Dollars

The Citizens Association is loud in its praise of the manner in which County Treasurer Harry R. Gibbons is carrying out the provisions of the new law governing interests on deposits. In its report the Association says: When Mr. Harry R. Gibbons, the present County Treasurer, took office in December, 1918, he proceeded promptly to establish the system required by the new law, although he might have postponed such action for some months, as the statute specified that bids for interest on deposits should be advertised for not later than the first day of October in each year. The County Treasurer advertised for bids on January 1, 1919, and put the new system in effect thirty days later. Bids were received from most of the National and State banks doing business in Cook county and were referred to a board consisting of the County Treasurer, the County Clerk and the President of the County Board. This board designated about one hundred banks as eligible to receive deposits on the basis of their bids and made awards under which county moneys were placed in twenty-three banks during the month of February. The number of depositories was increased each month thereafter until ninety-six banks had county deposits.

In accordance with written contracts required by law, each depository has made a sworn statement at the end of each month showing the daily balance of county funds held by it and the amount of accrued interest, computed on the average daily balance. These statements are filed in the County Clerk's office together with a sworn monthly statement from the County Treasurer, showing all interest earned during the preceding month and certifying that the interest has been paid into the county treasury. The public records of the County Treasurer's office show that the total amounts on deposit since the new law went into operation have ranged from about \$6,750,000 in February to about \$38,000,000 in May, the average amount on deposit being about \$20,000,000. As required by law, no bank has had more than \$2,000,000 on deposit at one time except the active bank, through which current business was transacted; and no deposit has exceeded one-half of the capital stock, surplus and undivided profits of the bank in which it was placed. The average deposit in the active bank except during the month of May, when it was much larger, has been about \$3,000,000.

At the end of the fiscal year the County Treasurer made a report to the County Board that the interest-earnings for that year had amounted to \$478,162, and that he had paid that amount into the county treasury. This is a gain of \$177,827 over the sum turned in by his predecessor in office during the preceding fiscal year. The

increase in the income of Cook county from interest-earnings on bank deposits is shown by the amounts turned into its treasury by the County Treasurer who have held office during the last thirteen years, as follows:

	Total Amt. Turned In During Four-Year Av. Amt. Term Per Year
John R. Thompson	\$472,000 \$118,000
Wm. L. O'Connell	666,000 166,500
Henry Stuckart	1,209,000 302,250
Harry R. Gibbons	(during the first year covered by new law) 478,162

According to Jacob Lindheimer, Assistant County Treasurer, only about 75 per cent of the increase in interest-earnings over 1918 is to be ascribed to the new law. Under a statute enacted in 1919, about \$4,000,000 was added last summer to the usual balance in the county treasury by the sale of delinquent special assessments; and about \$1,000,000 was received from the sale of county bonds. The interest on the \$5,000,000 derived from these two sources, which amounted to about \$50,000, deducted from the \$177,000 above mentioned, leaves approximately \$127,000 as the net gain in interest due to the higher interest rate under the new law. Mr. Lindheimer agrees that the system instituted under the new law makes conditions decidedly more satisfactory for the banks as well as for the public, by giving all eligible banks an equal opportunity to obtain county deposits; by giving full publicity to transactions regarding which the public is entitled to be informed; and by increasing the rate of interest.

Under the new plan the county has received three per cent on about four-fifths of its deposits. The active banks have paid two and one-half per cent and a few banks have paid three and one-fourth per cent on small inactive deposits. Equally high rates of interest should be obtained on the funds in the hands of the State Treasurer when the new State Deposits law, also enacted through our efforts, goes into effect next year.

When the County Treasurer's report was received by the County Board on November 29th, President Reinberg was authorized to appoint a committee to "verify" it. At the invitation of the County Treasurer, a representative of this Association was present when the committee made a somewhat casual inspection of interest data in the County Treasurer's office, including 700 monthly statements that had been made by the various depositories during the year. The committee reported to the County Board, at a meeting on December 8th, that it had performed its task and its report was adopted.

Considering that this perfunctory method of verification was insufficient, this Association suggested to Pres-

ident Reinberg, on December 17th, the advisability of establishing a sound precedent by having an independent audit of the interest accounts made under the auspices of the County Board. This suggestion was later placed before the County Board by the President of this Association in a letter to President Reinberg under

County Treasurer, in putting the new system into effect immediately after he went into office; and at the admirable operation of that system, under which Mr. Gibbons has turned over to Cook county an interest-earnings the sum of \$178,000, a sum larger by \$177,000 than the county had received as interest-earnings for the preceding fiscal year. For the same reason this Association is especially interested in seeing the new system put on a proper business basis at the outset.

EDMUND D. HULBERT  
AND C. G. DAWES  
HEAD LIST

Named by Chairman Payne to Help National Shipping Interests With Their Advice and Influence.

A dispatch from Washington, D. C., says that leading bankers of the country were invited by Chairman Payne of the Shipping Board to serve on a committee to interest the investing public in the value of shipping securities.

Mr. Payne said the board was confronted with the problem of selling

## PUBLIC ROBBERY

Property Located Miles from the Street Assessed Heavily for the Notorious Ogden Avenue Extension  
No Public Benefit Will Result, and the Hardship on the People Is Too Great to Bear

The Ogden Avenue Extension, so-called, is the most barefaced robbery ever put forward by a municipality in any country.

Lots on the North Side a mile and a half from the proposed route of this miserable West Side street, are taxed \$40 and \$50 each and the tax runs into the hundreds as it ap-

proaches the proposed line of march of the loud smelling highway.

What good the proposed extension can do any one or what benefit it can be to any property is something no one can tell.

The truth is that there is no good in it.

It is an "extension" to enrich contractors and beggar the public.

Judge John J. Williams' court room was a storm center when hundreds of property owners and the representatives of more than 1,000 others affected by the proposed extension of Ogden avenue protested against the size of the assessments levied. The property owners, many of whom were unrepresented by lawyers, and the attorneys for the Ogden Avenue Property Owners' Association asked for sixty days in which to file their objections to condemnation proceedings.

Attorneys William Dillon and

and so there is nothing for us to do until we see what the city contemplates."

William T. Hapeman, one of the attorneys for the Ogden Avenue Property Owners' Association, declared that the assessments in some instances were so high that they were practically confiscatory.

"It is our position," said Mr. Hapeman, "that the improvement is general and not local and should be paid for by general assessment. The property owners are not benefited to such an extent that would warrant the size of the assessments, which in some cases run as high as \$6,000 on a lot."

He pointed out the fact that in the extension of the street the city had allowed only one-third of the cost, or \$1,116,486, while the property owners were assessed \$2,214,013. Attorney Foster for the city stated that the balance of the \$5,400,000 bond issue voted would be used in paying, making sewers and constructing a half-mile viaduct over Goose Island.

Which of course will only benefit the contractors.

## IN THE CITY HALL

What the City Officials and Men of Affairs Are Doing for the Chicago Public

Estimates on the probable cost and sketches of the proposed system of downtown subways will be ready for submission to the members of Mayor Thompson's traction commission at its regular meeting. George W. Jackson, who has been chosen engineer of this particular project, informed Corporation Counsel Ettelson, chairman of the board, at a conference in the latter's office.

Offhand, Engineer Jackson stated that a conservative figure for building such a system of subways would be about \$1,000,000 a mile, but he has

begun a systematic check on the probable expense from all angles and expects to give the commission a definite idea as to the amount of money which would be necessary to finance the undertaking.

If the figures submitted are considered favorably by the members of the commission it is probable that Mr. Jackson will make an extended study of the underground traction system of Boston, New York and Philadelphia, and there is a possibility that he may also be sent to London and other cities abroad on the same mission.

## POLITICAL GOSSIP

Talk About Men and Matters Connected With Public Affairs in All the Different Camps

William H. Stuart, former chief of the Election Board office and political editor of the Chicago American, says in his popular column:

Through long years of abuse and vilification, the M. V. L. hunted and hounded "Old Ed" Cullerton, but it was the undertaker who retired the veteran, not the reform pack.

Cullerton, whose career was one of the most remarkable in the history of local politics, died poor, although the M. V. L. would have had people believe he made huge sums out of his council activities. In all sincer-

ity, I say that, in my opinion, Alderman Cullerton did more for Chicago than any man who ever wore the livery of the corporation-financed M. V. L.

In late years his great value to the city, because of his ability and long experience, was generally conceded, outside of the exclusive narrow circles of the reform organization.

Had it not been for the M. V. L., Cullerton would have been a member of the finance committee for the last ten years.

Peace to his ashes.

Investigation of the activities of the Municipal Voters' League was overshadowed by a \$100,000 suit filed by Ald. William R. O'Toole of the 30th ward against the league, charging conspiracy, libel and conspiracy to libel. Judge Kavanagh ordered the books and records of the league turned over to Master in Chancery J. V. O'Donnell.

Ald. O'Toole's suit is based on publication in the report of the league issued Jan. 22, 1920, of what the alderman alleges was an unfavorable and untruthful report of his record in the city council. M. E. Greenbaum, treasurer of the league; Joseph Cummings, secretary; Samuel Watkins, assistant secretary; John Doe, Richard Roe and

fifty others are named as defendants. Hearing of the petition was set for Feb. 23 before Master in Chancery O'Donnell.

Samuel Kersten, popular with everybody, and leader in the plumbing and heating trade, is often talked of for City Treasurer.

## COUNTY OFFICES

Items of Interest Concerning Men and Measures in the County Building

The Cook County Forest Preserve Commission budget for 1920 is \$1,172,170, figures given out by Joseph Gill showed the budget was passed by the commission Tuesday.

Legal services for the preserve will require expenditures totaling \$21,000. Appropriations for the salaries amount to \$267,112.

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The budget also authorizes a bond issue of \$768,840. Each year an appropriation is made for the purpose of purchasing tracts of land adjoining the forest preserve.

For the maintenance of deer, horses and other animals an appropriation of \$5,500 is also made, and \$75,000 for the development of the McCormick zoological gardens.

date of January 7th, in which we said: "As you will perhaps remember, this Association recently suggested to you that you consider the advisability of recommending that an audit be made, on behalf of the County Board, of the accounts of the Treasurer of Cook county which relate to the interest-earnings of that office for that portion of the year ending November 30, 1919, during which the new system of selecting depositories was in operation. We have since discussed this matter with Jacob Lindheimer, Assistant County Treasurer, who expressed his agreement with our suggestion that there should properly be an annual audit of the County Treasurer's interest accounts by public accountants employed by the County Board and acting for it."

"As the Citizens' Association aided in obtaining the enactment of the new law in relation to interest-earnings it has been much gratified at the praiseworthy action of Harry R. Gibbons,

ships, the aggregate value of which—\$2,000,000,000—was many times the purchasing power of the private shipping interests and that, consequently, it was desirable to educate the people to an appreciation of the relation of the merchant marine to commerce and industry.

The personnel of the committee follows: Henry M. Robinson of Pasadena, Cal., chairman; Edmund D. Hulbert, Chicago; Charles G. Dawes, Chicago; George Carfort Clarke, Charles Hayvan, R. E. Morris, Fred Strauss, G. H. Kennicott, Allen B. Forbes, F. W. Allan, Mortimer L. Schiff, J. S. Alexander and G. W. Davidson, all of New York; Festus J. Wade, St. Louis; Daniel G. Wing, Boston; Edward L. Robinson, Baltimore; E. D. Morris, Philadelphia; N. H. Latimer, Seattle; F. H. Goff, Cleveland; Herbert Fleischacker, San Francisco; J. E. Bouden, Jr., New Orleans.

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